

in the program shall, within a specific period of time, be moved from supplemented or supported employment to employment that is not supplemented or supported.

"(6) DISPLACEMENT.—A work supplementation or support program shall not displace the employment of individuals who are not supplemented or supported. .

SEC. 860. WAIVER AUTHORITY.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) in subparagraph (A)—

(A) in the first sentence, by striking "benefits to eligible households, including" and inserting the following: "benefits to eligible households, and may waive any requirement of this Act to the extent necessary for the project to be conducted.

"(B) PROJECT REQUIREMENTS.—

"(i) PROGRAM GOAL.—The Secretary may not conduct a project under subparagraph (A) unless—

"(I) the project is consistent with the goal of the food stamp program of providing food assistance to raise levels of nutrition among low-income individuals; and

"(II) the project includes an evaluation to determine the effects of the project.

"(ii) PERMISSIBLE PROJECTS.—The Secretary may conduct a project under subparagraph (A) to—

"(I) improve program administration;

"(II) increase the self-sufficiency of food stamp recipients;

"(III) test innovative welfare reform strategies; or

"(IV) allow greater conformity with the rules of other programs than would be allowed but for this paragraph.

"(iii) RESTRICTIONS ON PERMISSIBLE PROJECTS.—

If the Secretary finds that a project under subparagraph (A) would reduce benefits by more than 20 percent for more than 5 percent of households in the area subject to the project (not including any household whose benefits are reduced due to a failure to comply with work or other conduct requirements), the project—

"(I) may not include more than 15 percent of the State's food stamp households; and

"(II) shall continue for not more

than 5 years
after the date of implementation.
unless the Secretary
approves an extension
requested by the
State agency at any time.

"(iv) IMPERMISSIBLE PROJECTS.—The
Secretary
may not conduct a project under
subparagraph (A)
that—

"(I) involves the payment of the
value of an
allotment in the form of cash, unless
the project
was approved prior to the date of
enactment of
this subparagraph;